

L TERSIGNI CONSULTING, P.C.
Certified Public Accountant

350 Bedford Street - Suite 301
Stamford, CT. 06901
Telephone: 203-252-2564
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January 17, 2007

Invoice No. 14306

Marla R. Eskin, Esq.
Campbell & Levine LLC
800 N. King Street
Suite 300
Wilmington, DE. 19801

RE: W.R.Grace

For services rendered in connection with the above-captioned matter during the period December 1, 2006 through December 31, 2006 as per the attached analysis.

<u>Professional Fees (see Schedule A)</u>	<u>Hours</u>	<u>Amount</u>
Loreto T. Tersigni - President	3.40	\$1,904.00
James Sinclair - Senior Managing Director	46.00	\$24,380.00
Robert Mathews - Managing Director	9.60	\$4,944.00
Aaron Prills - Director	25.00	\$10,000.00
Dottie-Jo Collins - Manager	5.20	\$1,560.00
<u>Expenses (see Schedule C)</u>		
Telephone, Research, Xerox		<u>\$89.38</u>
TOTAL		\$42,877.38

Please Note: Schedule B (attached) reflects Professional Services Summary
by Task Codes for Court Approved Professionals

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Invoice No. 14306**Marla R. Eskin, Esq.**
Campbell & Levine LLC
800 N. King Street
Suite 300
Wilmington, DE. 19801**RE: W.R.Grace**

Summary of Professional Services Rendered: December 1-31, 2006

Name	Position	Schedule	Rate (2006)	Hours	Amount
Loreto T. Tersigni	President	Schedule A	\$560	3.40	\$1,904.00
James Sinclair	Senior Managing Director	Schedule A	\$530	46.00	\$24,380.00
Robert Mathews	Managing Director	Schedule A	\$515	9.60	\$4,944.00
Aaron Prills	Director	Schedule A	\$400	25.00	\$10,000.00
Dottie-Jo Collins	Manager	Schedule A	\$300	5.20	\$1,560.00
Total Professional Services- Schedule A:				89.20	\$42,788.00
Total Out of Pocket Expenses- Schedule C:					\$89.38
TOTAL DUE THIS INVOICE					\$42,877.38

Please Note: Schedule B (attached) reflects Professional Services Summary
by Task Codes for Court Approved Professionals

W.R. Grace

Schedule A

Services Rendered during the Period: December 1, 2006 through December 31, 2006

Date	Comment	Task Code	Hours	2006 Rate	Total
Loreto Tersigni - President					
12/4/06	LT Review Calendar of Upcoming Events transmitted by ACC counsel	26	0.40	\$560.00	\$224.00
12/11/06	LT Review Calendar of Upcoming Events transmitted by ACC counsel	26	0.50	\$560.00	\$280.00
12/15/06	LT Review Weekly Recommendations memorandum transmitted by ACC counsel	26	0.80	\$560.00	\$448.00
12/19/06	LT Review Calendar of Upcoming Events transmitted by ACC counsel	26	0.50	\$560.00	\$280.00
12/15/06	LT Review engagement status	26	0.50	\$560.00	\$280.00
12/15/06	LT Review fee application for November 2006, including timekeeper daily entries	11	0.30	\$560.00	\$168.00
12/27/06	LT Review Calendar of Upcoming Events transmitted by ACC counsel	26	0.40	\$560.00	\$224.00
Sub-Total			3.40		\$1,904.00

James Sinclair - Senior Managing Director

12/15/06	JS	Commence review and analysis of October 2006 Monthly Financial Report (and YTD) for due diligence and monitoring.	26	3.20	\$530.00	\$1,696.00
12/15/06	JS	Review Bankruptcy Court opinion and ACC counsel's memorandum re PD Committee ZAI claim for recovery analysis and settlement discussions.	16	2.10	\$530.00	\$1,113.00
12/15/06	JS	Review ACC counsel's 12/5/06 Hearing memorandum and memoranda of 12/14/06 re Recommendations and Calendar for planning of work and assignments.	26	1.60	\$530.00	\$848.00
12/18/06	JS	Review, analyze post-petition interest rate alternatives for recovery analysis for settlement discussions at request of counsel (Finch).	16	2.50	\$530.00	\$1,325.00
12/18/06	JS	Write preliminary memo to counsel (Finch) re interest rates for recovery analysis for settlement discussions at request of counsel.	16	0.90	\$530.00	\$477.00
12/18/06	JS	Discuss interest rate alternatives with Prills for recovery analysis for settlement discussions at request of counsel.	16	0.60	\$530.00	\$318.00
12/18/06	JS	Review, analyze Debtors' revised methodology of accrued interest for POR for recovery analysis for settlement discussions at request of counsel.	16	2.20	\$530.00	\$1,166.00
12/18/06	JS	Review, analyze 3rd Quarter 2006 10-Q for claims and recovery analysis for settlement discussions at request of counsel.	16	2.50	\$530.00	\$1,325.00
12/19/06	JS	Review, analyze 1st and 2nd Quarter 2006 10-Q's for claims and recovery analysis for settlement discussions at request of counsel.	16	2.90	\$530.00	\$1,537.00
12/19/06	JS	Review, revise Prills' revised alternative interest schedules for recovery analysis for settlement discussions at request of counsel.	16	1.70	\$530.00	\$901.00
12/19/06	JS	Review, analyze POR for classes of claims for Plan and recovery analysis for settlement discussions at request of counsel.	16	3.30	\$530.00	\$1,749.00
12/19/06	JS	Review, analyze Disclosure Statement for Plan and recovery analysis for settlement discussions at request of counsel.	16	2.50	\$530.00	\$1,325.00
12/19/06	JS	Participated in conference call to review the bank interest accrual.	16	0.90	\$530.00	\$477.00
12/20/06	JS	Continue review of POR and Disclosure Statement for Plan and recovery analysis for settlement discussions at request of counsel.	16	2.60	\$530.00	\$1,378.00
12/20/06	JS	Review, analyze Exhibit 3 to Disclosure Statement, Best Interests Analysis, for Plan and recovery analysis for settlement discussions at request of counsel.	16	1.90	\$530.00	\$1,007.00
12/20/06	JS	Outline memorandum to counsel re alternative interest rates and recovery analysis for settlement discussions at request of counsel.	16	2.50	\$530.00	\$1,325.00
12/21/06	JS	Commence writing memorandum to counsel re alternative interest rates and recovery analysis for settlement discussions at request of counsel.	16	2.90	\$530.00	\$1,537.00

W.R. Grace

Schedule A

Services Rendered during the Period: December 1, 2006 through December 31, 2006

Date		Comment	Task Code	Hours	2006 Rate	Total
12/21/06	JS	Review memoranda from ACC counsel re hearings of 12/18/06 and 12/19/06, competing motions of claimants' counsel and Debtors' counsel for planning of work and assignments.	26	2.40	\$530.00	\$1,272.00
12/21/06	JS	Continue writing memorandum to counsel re alternative interest rates and recovery analysis for settlement discussions at request of counsel.	16	3.10	\$530.00	\$1,643.00
12/21/06	JS	Revise memorandum to counsel re alternative interest rates and recovery analysis for settlement discussions at request of counsel, send to counsel.	16	2.10	\$530.00	\$1,113.00
12/27/06	JS	Review ACC counsel's memoranda of 12/22/06 re Recommendations and Calendar for planning of work and assignments.	26	1.60	\$530.00	\$848.00
Sub-Total				46.00		\$24,380.00

Robert Mathews - Managing Director

12/8/06	RM	Research, review and analyze daily rating agency leveraged commentary and data (for the week of 12/4)	16	1.10	\$515.00	\$566.50
12/8/06	RM	Edit daily summary to monitor weekly events in the financial markets (for the week of 12/4)	16	0.70	\$515.00	\$360.50
12/8/06	RM	Review and analysis of weekly market information associated with bank and bond debt in the secondary market and implications for chapter 11 situation (for the week of 12/4)	16	1.80	\$515.00	\$927.00
12/15/06	RM	Research, review and analyze daily rating agency leveraged commentary and data (for the week of 12/11)	16	1.00	\$515.00	\$515.00
12/15/06	RM	Edit daily summary to monitor weekly events in the financial markets (for the week of 12/11)	16	0.70	\$515.00	\$360.50
12/15/06	RM	Review and analysis of weekly market information associated with bank and bond debt in the secondary market and implications for chapter 11 situation (for the week of 12/11)	16	1.80	\$515.00	\$927.00
12/22/06	RM	Research, review and analyze daily rating agency leveraged commentary and data (for the week of 12/18)	16	0.80	\$515.00	\$412.00
12/22/06	RM	Review and analysis of weekly market information associated with bank and bond debt in the secondary market and implications for chapter 11 situation (for the week of 12/18)	16	0.60	\$515.00	\$309.00
12/29/06	RM	Research, review and analyze daily rating agency leveraged commentary and data (for the week of 12/25)	16	0.60	\$515.00	\$309.00
12/29/06	RM	Review and analysis of weekly market information associated with bank and bond debt in the secondary market and implications for chapter 11 situation (for the week of 12/25)	16	0.50	\$515.00	\$257.50
Sub-Total				9.60		\$4,944.00

Aaron Prills - Director

12/1/06	AP	Reviewed website articles regarding the recent changes in Grace's stock price.	28	0.90	\$400.00	\$360.00
12/1/06	AP	Reviewed Grace's third quarter operating review materials to analyze the likely estimates for the business segments through the end of 2006.	28	1.00	\$400.00	\$400.00
12/7/06	AP	Reviewed the Grace stock trend analysis to analyze the recent changes in the equity price.	28	0.90	\$400.00	\$360.00
12/11/06	AP	Reviewed the trend in the company's stock price relative to comparable companies.	28	0.40	\$400.00	\$160.00
12/15/06	AP	Reviewed Grace 8-k and equity price to analyze the changes with the company.	28	0.70	\$400.00	\$280.00
12/18/06	AP	Reviewed historical 10Qs for information regarding bank credit agreements.	28	1.30	\$400.00	\$520.00
12/18/06	AP	Prepared updates to the Grace bank interest schedule to analyze the accrual.	26	2.20	\$400.00	\$880.00

W.R. Grace

Schedule A

Services Rendered during the Period: December 1, 2006 through December 31, 2006

Date		Comment	Task Code	Hours	2006 Rate	Total
12/18/06	AP	Prepared additional updates to the Grace post-petition interest schedule.	26	1.50	\$400.00	\$600.00
12/18/06	AP	Reviewed correspondence with Grace regarding the change in the POR regarding the interest accrual.	28	0.40	\$400.00	\$160.00
12/19/06	AP	Reviewed the Grace SEC filings to analyze the bank interest accrual.	28	1.00	\$400.00	\$400.00
12/19/06	AP	Prepared schedule to analyze the various rates in the credit agreement to analyze the annualized accrual rates.	26	2.10	\$400.00	\$840.00
12/19/06	AP	Participated in conference call with colleague to review the bank interest accrual.	26	0.90	\$400.00	\$360.00
12/19/06	AP	Reviewed additional analyses prepared in the past to analyze the accrual of quarterly interest.	28	1.70	\$400.00	\$680.00
12/20/06	AP	Reviewed the interest accrual schedule for the bank claim.	28	1.00	\$400.00	\$400.00
12/20/06	AP	Reviewed Grace executive summary financial booklets to analyze notes regarding change in interest accrual rate.	28	1.10	\$400.00	\$440.00
12/21/06	AP	Reviewed historical SEC filings for information regarding the change in the interest rate.	28	1.60	\$400.00	\$640.00
12/21/06	AP	Reviewed memorandum to counsel regarding the interest rate accrual and the schedules associated with the memorandum.	28	0.70	\$400.00	\$280.00
12/21/06	AP	Reviewed additional correspondence with Grace's financial advisor to analyze commentary regarding the change in interest rate for the accrual.	28	0.90	\$400.00	\$360.00
12/21/06	AP	Prepared additional scenario for the Grace accrual schedule.	26	0.60	\$400.00	\$240.00
12/22/06	AP	Reviewed additional materials relating to the change in interest rate for the accrual.	28	1.60	\$400.00	\$640.00
12/22/06	AP	Reviewed the claims recovery model schedules to analyze the sensitivity of recoveries to the accrual amounts.	28	1.10	\$400.00	\$440.00
12/22/06	AP	Reviewed the correspondence from counsel regarding the updates and motions filed in the Grace case.	28	1.40	\$400.00	\$560.00
Sub-Total				25.00		\$10,000.00

Dottie-Jo Collins - Manager

12/29/06	DC	Compilation and consolidation of services rendered in the month of December 2006	11	3.80	\$300.00	\$1,140.00
12/29/06	DC	Category coding and preparation of December 2006 fee application	11	1.40	\$300.00	\$420.00
Sub-Total				5.20		\$1,560.00

TOTAL Schedule A: 89.20 \$42,788.00

W.R. Grace

Schedule B

Services Rendered during the Period: December 1, 2006 through December 31, 2006

Date		Comments	Task Code	Hours	Rate	Total
12/15/06	LT	Review fee application for November 2006, including timekeeper daily entries	11	0.30	\$560.00	\$168.00
12/29/06	DC	Compilation and consolidation of services rendered in the month of December 2006	11	3.80	\$300.00	\$1,140.00
12/29/06	DC	Category coding and preparation of December 2006 fee application	11	1.40	\$300.00	\$420.00
TOTAL Category 11: Fee Application-Applicant				5.50		\$1,728.00
12/8/06	RM	Research, review and analyze daily rating agency leveraged commentary and data (for the week of 12/4)	16	1.10	\$515.00	\$566.50
12/8/06	RM	Edit daily summary to monitor weekly events in the financial markets (for the week of 12/4)	16	0.70	\$515.00	\$360.50
12/8/06	RM	Review and analysis of weekly market information associated with bank and bond debt in the secondary market and implications for chapter 11 situation (for the week of 12/4)	16	1.80	\$515.00	\$927.00
12/15/06	JS	Review Bankruptcy Court opinion and ACC counsel's memorandum re PD Committee ZAI claim for recovery analysis and settlement discussions.	16	2.10	\$530.00	\$1,113.00
12/15/06	RM	Research, review and analyze daily rating agency leveraged commentary and data (for the week of 12/11)	16	1.00	\$515.00	\$515.00
12/15/06	RM	Edit daily summary to monitor weekly events in the financial markets (for the week of 12/11)	16	0.70	\$515.00	\$360.50
12/15/06	RM	Review and analysis of weekly market information associated with bank and bond debt in the secondary market and implications for chapter 11 situation (for the week of 12/11)	16	1.80	\$515.00	\$927.00
12/18/06	JS	Review, analyze post-petition interest rate alternatives for recovery analysis for settlement discussions at request of counsel (Finch).	16	2.50	\$530.00	\$1,325.00
12/18/06	JS	Write preliminary memo to counsel (Finch) re interest rates for recovery analysis for settlement discussions at request of counsel.	16	0.90	\$530.00	\$477.00
12/18/06	JS	Discuss interest rate alternatives with Prills for recovery analysis for settlement discussions at request of counsel.	16	0.60	\$530.00	\$318.00
12/18/06	JS	Review, analyze Debtors' revised methodology of accrued interest for POR for recovery analysis for settlement discussions at request of counsel.	16	2.20	\$530.00	\$1,166.00
12/18/06	JS	Review, analyze 3rd Quarter 2006 10-Q for claims and recovery analysis for settlement discussions at request of counsel.	16	2.50	\$530.00	\$1,325.00
12/19/06	JS	Review, analyze 1st and 2nd Quarter 2006 10-Q's for claims and recovery analysis for settlement discussions at request of counsel.	16	2.90	\$530.00	\$1,537.00
12/19/06	JS	Review, revise Prills' revised alternative interest schedules for recovery analysis for settlement discussions at request of counsel.	16	1.70	\$530.00	\$901.00
12/19/06	JS	Review, analyze POR for classes of claims for Plan and recovery analysis for settlement discussions at request of counsel.	16	3.30	\$530.00	\$1,749.00
12/19/06	JS	Review, analyze Disclosure Statement for Plan and recovery analysis for settlement discussions at request of counsel.	16	2.50	\$530.00	\$1,325.00
12/19/06	JS	Participated in conference call to review the bank interest accrual.	16	0.90	\$530.00	\$477.00
12/20/06	JS	Continue review of POR and Disclosure Statement for Plan and recovery analysis for settlement discussions at request of counsel.	16	2.60	\$530.00	\$1,378.00
12/20/06	JS	Review, analyze Exhibit 3 to Disclosure Statement, Best Interests Analysis, for Plan and recovery analysis for settlement discussions at request of counsel.	16	1.90	\$530.00	\$1,007.00
12/20/06	JS	Outline memorandum to counsel re alternative interest rates and recovery analysis for settlement discussions at request of counsel.	16	2.50	\$530.00	\$1,325.00
12/21/06	JS	Commence writing memorandum to counsel re alternative interest rates and recovery analysis for settlement discussions at request of counsel.	16	2.90	\$530.00	\$1,537.00
12/21/06	JS	Continue writing memorandum to counsel re alternative interest rates and recovery analysis for settlement discussions at request of counsel.	16	3.10	\$530.00	\$1,643.00
12/21/06	JS	Revise memorandum to counsel re alternative interest rates and recovery analysis for settlement discussions at request of counsel, send to counsel.	16	2.10	\$530.00	\$1,113.00

W.R. Grace

Schedule B

Services Rendered during the Period: December 1, 2006 through December 31, 2006

Date		Comments	Task Code	Hours	Rate	Total
12/22/06	RM	Research, review and analyze daily rating agency leveraged commentary and data (for the week of 12/18)	16	0.80	\$515.00	\$412.00
12/22/06	RM	Review and analysis of weekly market information associated with bank and bond debt in the secondary market and implications for chapter 11 situation (for the week of 12/18)	16	0.60	\$515.00	\$309.00
12/29/06	RM	Research, review and analyze daily rating agency leveraged commentary and data (for the week of 12/25)	16	0.60	\$515.00	\$309.00
12/29/06	RM	Review and analysis of weekly market information associated with bank and bond debt in the secondary market and implications for chapter 11 situation (for the week of 12/25)	16	0.50	\$515.00	\$257.50
TOTAL Category 16: POR and Disclosure Statement				46.80		\$24,660.00
12/4/06	LT	Review Calendar of Upcoming Events transmitted by ACC counsel	26	0.40	\$560.00	\$224.00
12/11/06	LT	Review Calendar of Upcoming Events transmitted by ACC counsel	26	0.50	\$560.00	\$280.00
12/15/06	LT	Review Weekly Recommendations memorandum transmitted by ACC counsel	26	0.80	\$560.00	\$448.00
12/15/06	LT	Review engagement status	26	0.50	\$560.00	\$280.00
12/15/06	JS	Commence review and analysis of October 2006 Monthly Financial Report (and YTD) for due diligence and monitoring.	26	3.20	\$530.00	\$1,696.00
12/15/06	JS	Review ACC counsel's 12/5/06 Hearing memorandum and memoranda of 12/14/06 re Recommendations and Calendar for planning of work and assignments.	26	1.60	\$530.00	\$848.00
12/18/06	AP	Prepared updates to the Grace bank interest schedule to analyze the accrual.	26	2.20	\$400.00	\$880.00
12/18/06	AP	Prepared additional updates to the Grace post-petition interest schedule.	26	1.50	\$400.00	\$600.00
12/19/06	LT	Review Calendar of Upcoming Events transmitted by ACC counsel	26	0.50	\$560.00	\$280.00
12/19/06	AP	Prepared schedule to analyze the various rates in the credit agreement to analyze the annualized accrual rates.	26	2.10	\$400.00	\$840.00
12/19/06	AP	Participated in conference call with colleague to review the bank interest accrual.	26	0.90	\$400.00	\$360.00
12/21/06	JS	Review memoranda from ACC counsel re hearings of 12/18/06 and 12/19/06, competing motions of claimants' counsel and Debtors' counsel for planning of work and assignments.	26	2.40	\$530.00	\$1,272.00
12/21/06	AP	Prepared additional scenario for the Grace accrual schedule.	26	0.60	\$400.00	\$240.00
12/27/06	LT	Review Calendar of Upcoming Events transmitted by ACC counsel	26	0.40	\$560.00	\$224.00
12/27/06	JS	Review ACC counsel's memoranda of 12/22/06 re Recommendations and Calendar for planning of work and assignments.	26	1.60	\$530.00	\$848.00
TOTAL Category 26: Business Analysis				19.20		\$9,320.00
12/1/06	AP	Reviewed website articles regarding the recent changes in Grace's stock price.	28	0.90	\$400.00	\$360.00
12/1/06	AP	Reviewed Grace's third quarter operating review materials to analyze the likely estimates for the business segments through the end of 2006.	28	1.00	\$400.00	\$400.00
12/7/06	AP	Reviewed the Grace stock trend analysis to analyze the recent changes in the equity price.	28	0.90	\$400.00	\$360.00
12/11/06	AP	Reviewed the trend in the company's stock price relative to comparable companies.	28	0.40	\$400.00	\$160.00
12/15/06	AP	Reviewed Grace 8-k and equity price to analyze the changes with the company.	28	0.70	\$400.00	\$280.00
12/18/06	AP	Reviewed historical 10Qs for information regarding bank credit agreements.	28	1.30	\$400.00	\$520.00
12/18/06	AP	Reviewed correspondence with Grace regarding the change in the POR regarding the interest accrual.	28	0.40	\$400.00	\$160.00
12/19/06	AP	Reviewed the Grace SEC filings to analyze the bank interest accrual.	28	1.00	\$400.00	\$400.00
12/19/06	AP	Reviewed additional analyses prepared in the past to analyze the accrual of quarterly interest.	28	1.70	\$400.00	\$680.00

W.R. Grace

Schedule B

Services Rendered during the Period: December 1, 2006 through December 31, 2006

Date		Comments	Task Code	Hours	Rate	Total
12/20/06	AP	Reviewed the interest accrual schedule for the bank claim.	28	1.00	\$400.00	\$400.00
12/20/06	AP	Reviewed Grace executive summary financial booklets to analyze notes regarding change in interest accrual rate.	28	1.10	\$400.00	\$440.00
12/21/06	AP	Reviewed historical SEC filings for information regarding the change in the interest rate.	28	1.60	\$400.00	\$640.00
12/21/06	AP	Reviewed memorandum to counsel regarding the interest rate accrual and the schedules associated with the memorandum.	28	0.70	\$400.00	\$280.00
12/21/06	AP	Reviewed additional correspondence with Grace's financial advisor to analyze commentary regarding the change in interest rate for the accrual.	28	0.90	\$400.00	\$360.00
12/22/06	AP	Reviewed additional materials relating to the change in interest rate for the accrual.	28	1.60	\$400.00	\$640.00
12/22/06	AP	Reviewed the claims recovery model schedules to analyze the sensitivity of recoveries to the accrual amounts.	28	1.10	\$400.00	\$440.00
12/22/06	AP	Reviewed the correspondence from counsel regarding the updates and motions filed in the Grace case.	28	1.40	\$400.00	\$560.00
TOTAL Category 28: Data Analysis				17.70		\$7,080.00
TOTAL Schedule B:				89.20		\$42,788.00

W.R. Grace

Schedule C

Summary of Expenses Incurred by L Tersigni Consulting P.C. Accountant and Financial Advisor

Descriptions	Amount
Telephone	\$23.82
Research via PACER- 4th Quarter 2006	\$12.56
Xerox (530 @ \$.10 per page)	\$53.00
Total Expenses incurred from December 1-31, 2006	\$89.38